IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§
	§
Plaintiff,	§
	§
v.	§ Civ. No.: 1:12-cv-0033-JRN
	§
LIFE PARTNERS HOLDINGS, INC.,	§
BRIAN D. PARDO, R. SCOTT PEDEN,	§
and DAVID M. MARTIN,	§
	§
Defendants,	§

PLAINTIFF'S DESIGNATION OF EXPERT WITNESSES

Plaintiff Securities and Exchange Commission submits its Designation of Expert

Witnesses under Rule 26 of the Federal Rules of Civil Procedure.

I. Retained Experts

1. Larry Rubin

Partner – Actuarial and Insurance Management Solutions (AIMS) PricewaterhouseCoopers 300 Madison Avenue 24th Floor New York, New York 10017

Mr. Rubin will testify about actuarial matters at issue in the litigation, including Life Partners Holdings, Inc.'s systematic use of materially underestimated life expectancies to broker life settlements to retail investors. He will testify that, whatever method is used to estimate life expectancies, Life Partners Holdings, Inc.'s life expectancies have been inaccurate. He will also testify about standards and best practices in the fields of life insurance and medical underwriting for life settlements, the life settlement industry's transition from viatical to senior life settlements, methods for determining life expectancy and the role of life expectancy in the life insurance and life settlement industries, and the appropriate mortality table(s) to be used in determining life expectancy for purposes of life settlement transactions.

He will also testify about the proper method(s) and processes for determining life expectancy in connection with life settlements, the propriety of using deterministic versus probabilistic methods for valuing life settlements and/or estimating life expectancy, flaws in Dr. Donald Cassidy's method for determining life expectancy, the effect of mortality and life expectancy calculations on life settlements, the interrelatedness of return on

investment and life expectancy and the interrelatedness between life expectancy and the discount at which a life insurance policy is sold and the resulting impact, if any, on actual or anticipated return on investment.

He will also testify about the reliability of life expectancy estimates used by Life Partners in facilitating life settlement transactions, actual results for life expectancies utilized by Life Partners, analysis of actual results compared to expected results for insureds' life expectancies in life settlements transacted by Life Partners and the resulting mortality ratio, the impact of calibrated life expectancies on Life Partners' business and revenues, and likelihood that the frequency and magnitude by which Life Partners facilitated life settlements utilizing materially underestimated life expectancy estimates can fairly or accurately be attributed to mistake or accident.

The expert report(s) of Mr. Rubin is incorporated herein by reference.

Mr. Lawrence F. Ranallo
 Prehensive Financial Forensics, LLC
 2937 Daniel Avenue
 Dallas, Texas 75205

Mr. Ranallo will testify about generally accepted accounting principles ("GAAP") applicable to Life Partners' business, how Life Partners accounted for its revenue-related transactions, and how its accounting methods were inconsistent with GAAP. His testimony will focus on the practices of backdating documents, keeping the books open 15 days past quarter-end for revenue-recognition purposes, and partially recognizing revenue on life settlement transactions. In addition, Mr. Ranallo will testify about Life Partners' impairment policies and practices. Mr. Ranallo will also testify about the materiality of these accounting and financial reporting matters as well as the materiality of Life Partners Holdings, Inc.'s restatement. He may also rebut accounting opinions offered by an opposing expert.

The expert report(s) of Mr. Ranallo is incorporated herein by reference.

Professor Kenneth M. Lehn
 Samuel A. McCullough Professor of Finance
 University of Pittsburgh – Joseph M. Katz Graduate School of Business Mervis Hall
 Pittsburgh, Pennsylvania 15260

Professor Lehn will testify about an event study he performed with the assistance of Compass Lexecon to analyze whether undisclosed information regarding Life Partners' business, specifically its systematic use of materially underestimated life expectancy estimates was material to shareholders and the market, based on the stock market's reaction to the December 16, 2010 article published in Life Settlements Report entitled "Life Partners LEs Too Short?" Professor Lehn will opine that the information provided to the market in that article resulted in a sharp, statistically significant decline in the share

price of Life Partners Holdings, Inc.'s common stock. He may also rebut economic opinions offered by an opposing expert.

The expert report(s) of Mr. Lehn is incorporated herein by reference.

II. Cross-Designation of Defense Experts and Future Designation of Rebuttal Experts

The Commission reserves the right to (a) elicit expert opinion testimony from any qualified expert witness proffered by either defendant; and (b) designate rebuttal experts in accordance with the applicable rules and scheduling order.

DATED: May 10, 2013

Respectfully submitted,

_/s/ Jessica B. Magee

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CERTIFICATE OF SERVICE

I certify that on May 10, 2013, I served *Plaintiff's Designation of Expert Witnesses* on all adverse parties by causing a true and correct copy thereof be delivered to United Parcel Services for delivery by priority mail and with air freight charges prepaid and addressed to:

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<u>/s/ Jessica B. Magee</u> Jessica B. Magee